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FOREIGN CROPS and MARKETS

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L A T E C A B L E S

Montevideo, Uruguay, wool market registered small sales during the week ended December 21, 1940. Chief demand restricted to fine crossbreds which were sold on rising prices. Growing scarcity of 56's to 64's reported, with only 2,000,000 to 3,000,000 pounds left in brokers' hands.

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Argentine wool exports for the week ended December 19, 1940, amounted to 17,412,000 pounds, of which 13,171,000 pounds went to the United States. Prices for carpet wool higher and for fine wools slightly lower. Somewhat less American buying of fine wools but more active demand for carpet wools.

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Italian rice production for 1940, 41,135,000 bushels compared with revised estimate of 37,343,000 bushels for 1939. Corn, potatoes, and kidney bean harvests for 1940 indicated to be well above previous year.

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British India 1940-41 cotton crop third official production estimate placed at 4,405,000 bales of 478 pounds from 21,982,000 acres compared with final estimate for 1939-40 of 4,136,000 bales from 21,356,000 acres. Indicated acreage and production are 7 percent and 20 percent, respectively, larger than corresponding estimate last year.

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N O T I C E: A supplement containing the statistics on United States agricultural trade with noncontiguous territories and United States reexports of agricultural products in 1939-40 is ready for distribution and will be sent only upon request.

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G R A I N SORIENT SUFFERS SHORTAGE OF WHEAT
DESPITE LARGER 1940 CROP

Although the 1940 wheat crop of the Orient was larger than in 1939, an acute shortage is reported in China, Japan, and Manchuria, according to information received by the Office of Foreign Agricultural Relations. This is the result, it is said, of official control measures, which have reduced the movement of wheat to market, and the increased use of wheat as a substitute for rice. The acreage sown to winter wheat for harvest in 1941 is believed to have been larger than that of last year, because of the favorable autumn weather in China; but in Japan and Manchuria, the low official prices, together with inadequate labor and fertilizer supplies, may have had an adverse effect upon fall seedings.

WHEAT: Production in the Orient, average 1931-1935,
annual 1936-1940

Year of harvest	China <u>a/</u>	Manchuria <u>b/</u>	Japan <u>c/</u>	Total
	: 1,000 bushels	: 1,000 bushels	: 1,000 bushels	: 1,000 bushels
Average: 1931-1935	780,000	38,440	40,372	858,812
1936	790,000	35,237	45,192	870,429
1937	640,000	41,373	50,410	731,783
1938	640,000	34,318	45,244	719,562
1939	667,000	<u>c/</u> 34,753	61,086	762,839
1940	700,000	<u>c/</u> 31,967	66,134	798,101

a/ Estimates of the American consulate general, Shanghai.

b/ Estimates of the South Manchurian Railway.

c/ Official estimates.

The prospects for large imports of foreign wheat and flour into the Orient are not bright, although considerable flour would probably be taken by China if shipping facilities were available. A potential market for 40,000 to 50,000 tons is believed to exist; since Australia is unable to obtain shipping space, some quantities have been purchased from Canada, and further purchases from the United States would be considered, it is reported, if prices were about 10 percent lower. In Japan and Manchuria, the shortage of foreign exchange prevents importation. Japan's flour exports to China and Manchuria may therefore be substantially reduced. If so, Manchuria will have to meet its deficit by increased consumption of other grains.

China

The domestic wheat market at Shanghai was very dull during the month ended December 15 because of small arrivals of native wheat. The Shanghai flour mills operated at only about 20 percent of capacity, but the Chinese-owned mills continued to sell about 6,000 bags of flour daily at a reduced price in accordance with the agreements made with the International Settlement authorities. The price prevailing on December 17 for such flour was about \$1.06 per bag, but the inability of the mills to secure domestic wheat is expected to stop these transactions. Wholesale prices of flour to other purchasers were increasing rapidly in line with rising prices of rice and the declining supplies of native wheat. Arrivals of foreign flour were heavy during the month, but flour stocks were estimated at only 3,000 bags as a result of purchases for holding and for outport shipment.

CHINA: Imports of wheat and wheat flour, by countries of origin,
October 1940, with comparisons

Country	October			July-October		
	1938	1939	1940	1938	1939	1940
	1,000	1,000	1,000	1,000	1,000	1,000
	bushels:	bushels:	bushels:	bushels:	bushels:	bushels:
<u>Wheat</u>	:	:	:	:	:	:
United States	0	33	605	-	2,324	758
Canada	0	-	-	-	-	-
Australia	0	-	-	-	2,448	604
Japan	0	-	-	-	-	-
Others	0	-	9	a/	-	109
Total	0	33	614	a/	4,772	1,471
	1,000	1,000	1,000	1,000	1,000	1,000
	barrels:	barrels:	barrels:	barrels:	barrels:	barrels:
<u>Flour</u>	:	:	:	:	:	:
United States	8	283	200	79	782	334
Canada	5	11	2	28	44	11
Australia	364	275	157	668	706	301
Japan	34	30	141	208	77	600
Others	1	1	-	5	10	6
Total	412	600	500	988	1,619	1,252
	:	:	:	:	:	:

Monthly Returns of Foreign Trade of China and American consulate general at Shanghai.

Prices of domestic wheat on December 17 were 90 cents per bushel to Japanese-owned mills and 98 cents to Chinese-owned mills. Canadian wheat was quoted at \$1.03 per bushel. Flour from domestic wheat was selling at \$1.19 per bag and from Australian wheat at \$1.20. Australian and Canadian flour for forward shipment, c.i.f. Shanghai, were quoted

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at \$1.08 and \$1.22 per bag, respectively. It was estimated that 1.5 million bags had been booked since July 1, but only 300,000 bags had arrived.

At Tientsin, flour arrivals during November were reported to have totaled 1,841,000 bags, of which the United States furnished 818,000 bags, Japan 370,000, Australia 296,000, and Shanghai 325,000 bags. No foreign wheat was imported, and domestic wheat supplies were insufficient to fill the needs of four or five Tientsin mills. About 161,000 bags of wheat flour were milled during November and 31,000 bags of corn flour. The Tientsin Flour Guild estimated that flour stocks totaled 5,616,000 bags, mostly Australian and Japanese, and wheat stocks around 267,000 bushels. About 30,000 tons of Australian flour were booked in November, but offers had ceased and no orders were reported placed in the United States or in Shanghai. About 330,000 bags of Australian flour purchased in November with sterling from the British Concession silver reserve were reported to have already reached Tientsin.

Trade estimates for July-October indicated that about 1.5 million bushels of wheat had been imported this season into China as compared with nearly 5 million last season. Flour imports totaled nearly 1.3 million barrels as against 1.6 million in July-October 1939. About 7,000 bushels of wheat were recorded as exported to Japan and 35,000 barrels of flour to Taiwan.

Manchuria

The 1940 wheat crop of Manchuria has been revised downward to about 32 million bushels, according to official estimates but is believed to have been smaller. Imports of flour during July-November were unofficially estimated at about 748,000 barrels, of which 542,000 originated in Japan and 206,000 barrels in Australia. It is forecast that about 562,000 barrels will be imported during the remainder of the year, which would bring the July-June total to about 1,300,000 barrels. With domestic flour production estimated at around 5 million barrels and the normal consumption at 8.4 million, a shortage for the year of about 2.1 million barrels is indicated. The increased consumption of grains other than wheat is considered the outstanding factor in the Manchurian situation this season, and is said to have resulted from the difficulty of financing foreign imports and the limited export supplies in China and Japan. Flour stocks at Dairen, normally about 112,000 to 225,000 barrels, have become negligible and a similar shortage is reported throughout Manchuria generally.

The official price for wheat is considered too low and farmers will not release their holdings. Increasingly stringent control measures have forced some quantities of hoarded flour back to market and partially stopped smuggling into North China, but the general outlook for the flour market is obscure because of the heavy potential demand for the small wheat crop of 1940 and the poor prospect for flour production and importation.

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Japan

The 1940 wheat crop of Japan is still estimated officially at 66 million bushels, as compared with 61 million bushels produced in 1939, but the increasing shortage of flour tends to confirm the doubt expressed regarding the record harvest reported or to make the operation of the Government control system appear less satisfactory than anticipated. In view of the inadequate supply of farm labor and fertilizer, winter sowing for harvest in 1941 seems likely to be reduced, especially since the recent investigation by the Imperial Agricultural Society found some support for the claim that the cost of producing wheat exceeds the official price to farmers.

Official trade figures for Japan are no longer published and available information on the market situation of wheat and flour is meager. In general, the wheat supply appears insufficient to fill requirements unless the Government bans exports of flour to yen-bloc countries, since the foreign exchange situation makes imports of foreign wheat improbable.

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CANADIAN WHEAT-CROP VALUE

ESTIMATED ABOVE PAST TWO SEASONS . . .

The value of the 1940 wheat crop of Canada, as based on average prices received by farmers up to the end of November, was estimated by the Dominion Bureau of Statistics at \$280,582,000 (Canadian) as compared with \$265,656,000 and \$211,265,000, the valuation of the 1939 and 1938 crops, respectively. With the total gross value of the principal field crops placed at \$648,286,000, wheat accounted for 43 percent in 1940; in 1939, when the value of principal field crops was the highest reported during the past 10 years, wheat production, valued at \$265,656,000 represented only 40 percent. The increase in wheat production this year more than offset the decline in the average farm price from 54 cents per bushel last year to 51 cents, the average through November 1940. It should be noted, however, that the 1940 estimates are preliminary and that they represent not cash income to farmers but the gross value of farm production. Many crops, such as mixed grains and fodder corn are utilized almost entirely by the farmer producing them and do not enter the market.

Both the total gross value of principal crops and the value of wheat were highest this year in the Province of Saskatchewan; wheat accounted for \$135,200,000 of the total of \$167,014,000, or about 81 percent. In the Province of Ontario, on the other hand, which ranked second in the value of its farm production, wheat represented only \$14,700,000 out of \$139,254,000 or not quite 11 percent. The average

price per bushel received by farmers was lowest in the Province of Alberta and the highest in New Brunswick, 48 cents and \$1.05, respectively, but the total value of wheat was \$91,200,000 in the former and only \$155,000 in the latter, where the price of wheat reflects the handling and transportation costs from the distant surplus areas of Western Canada.

CANADA: Value of 1940 wheat crop, by Provinces,
with comparisons a/

Province	1938		1939		1940	
	Average :		Average :		Average :	
	per	Total	per	Total	per	Total
	bushel	:	bushel	:	bushel	:
	: 1,000		: 1,000		: 1,000	
	<u>Dollars</u>	<u>dollars</u>	<u>Dollars</u>	<u>dollars</u>	<u>Dollars</u>	<u>dollars</u>
Saskatchewan	0.58	79,924	0.54	135,000	0.52	135,200
Alberta	0.58	85,956	0.52	78,000	0.48	91,200
Manitoba	0.61	30,500	0.55	34,650	0.53	37,100
Ontario	0.59	12,640	0.66	15,753	0.61	14,700
British Columbia	0.80	1,155	0.74	1,388	0.70	1,449
Quebec	0.93	705	0.88	508	0.90	504
Prince Edward Island:	0.96	173	1.00	165	0.88	209
New Brunswick	1.05	158	1.05	147	1.05	155
Nova Scotia	1.00	54	1.00	45	1.00	65
Total value of	:	:	:	:	:	:
principal crop ...	:	550,069	:	669,672	:	648,286

Dominion Bureau of Statistics, Ottawa. a/ Canadian dollars. During 1938, the Canadian dollar was equal to 99.4 United States cents; in 1939, it averaged 96 cents; but in 1940 the official rate of exchange has been about 91 cents.

SWISS GOVERNMENT ESTABLISHES
WHEAT PRICES

The Swiss Government recently established fixed prices at which the 1940 wheat crop would be taken over from domestic growers, according to information received in the Office of Foreign Agricultural Relations. These prices, which were made retroactive to September 1, 1940, range from 42 to 44.50 francs per quintal (about \$2.65 to \$2.81 per bushel) and are 2 francs per quintal (15 cents per bushel) higher than those formerly received by the farmers. While the extra expense to the Government will be considerable, the higher prices for wheat will decrease the temptation to use wheat for feeding purposes, to avoid which it was announced in October that all bread-grain stocks would be taken over by the Government, except supplies needed on farms for use by the farmers. (See Foreign Crops and Markets for November 18, 1940.)

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C O T T O N - O T H E R F I B E R S

SPANISH INDUSTRY GETS
SOUTH AMERICAN COTTON . . .

Receipts of raw cotton in Spain during the 3 months beginning August 1, 1940 totaled about 50,000 bales all of which was Argentine cotton except for 2,100 bales of American, according to information received in the Office of Foreign Agricultural Relations. These quantities represent little more than half of normal requirements for the 3-month period so that the shortage of raw materials is still acute. Stocks on hand were virtually exhausted at the end of July and most of the spinning and weaving mills at times, have been completely shut down for lack of raw material. Operations in recent months have averaged about 2 days a week. Stocks on hand at the end of October included about 1,000 bales scattered among the mills and 19,000 bales of Argentine cotton that had just arrived in port.

According to recent information received from Argentina, details of a credit arrangement are being completed whereby the Spanish Government will purchase an additional 100,000 bales of Argentine cotton representing the remainder of the export surplus from the 1939-40 crop. The cotton involved is reported to be mostly of low grades on which the Government has made loans to growers at rates above current market prices. Difficulties in financing the previously reported purchase of 100,000 bales of Brazilian cotton have not yet been overcome but negotiations are still under way. Plans for a barter trade of Spanish merchandise for 3,000 to 5,000 bales of Peruvian cotton also are being discussed. The 15,000 bales of Egyptian cotton reported to have been purchased by the Spanish Government several months ago have not yet been released for shipment.

Normal requirements of the Spanish cotton industry amount to about 400,000 bales per year. The 20,000 bales on hand at the end of October have been supplemented by the 1940 domestic crop estimated at 9,000 bales. The negotiations with Argentina and Brazil, if completed, would provide sufficient cotton for full-time operation until about July 1941 and longer if the present ration is continued. Spain came out of the civil war with an acute shortage of both raw cotton and cotton textiles and supplies have not been sufficient for the domestic markets since that time. Import demand for raw cotton is said to be limited at present only by the availability of credit and shipping facilities. All purchases of raw cotton are made by the "Subcomision Reguladora del Algodon," a governmental agency controlling the cotton industry.

Prices of raw cotton in Spain as fixed by the Commission are based on various costs with a small allowance for fluctuations and do not change from day to day with world prices. Prices of American-type cotton as promulgated on August 28, 1940 ranged from 5.95 pesetas per

kilogram (24.6 cents per pound) for Middling 7/8 inch to 6.65 pesetas (27.5 cents) for Strict Middling 1-1/8 inches. Prices of cotton yarn and knit and woven goods are also fixed by the Commission.

The Spanish Government is encouraging the production of synthetic fibers in order to reduce imports of raw cotton, but has not yet required textile manufacturers to mix them with cotton. A law passed on October 24, 1939, however, set up the machinery for such requirements, with provisions that certain domestic industries might be declared "of national interest" and that such industries might be assisted by requiring the use of a percentage of their products in Spanish manufactures. Decrees of March 21 and April 5, 1940 placed in this category cellulose fiber and such cottonized natural fibers as esparto grass, flax waste, broom and hemp. Certain advantages and privileges were granted to firms undertaking the manufacture of such fibers. As a result, two companies have been formed during the past 6 months for this purpose, but neither of them is in operation yet. One plans to use Eucalyptus wood for raw material and the other, a variety of cane. Spanish forest resources, however, are limited and it is not believed likely that this type of fiber will supplant any substantial quantities of natural cotton in the textile industry. Spanish cotton growers are already receiving a direct subsidy of 2.6 pesetas per kilogram (10.4 cents per pound) from the Government.

Export sales of cotton goods during the past year and a half have been extremely small although the Government, as a means of securing foreign exchange, has encouraged such exports through the payment of a premium of up to 25 percent of domestic prices. Under the ration system, factories producing goods for export get supplies of raw cotton for export goods in addition to the standard ration for the domestic market. This system, however, does not assure manufacturers that supplies of raw cotton will be available even after the terms of sale have been approved by the Cotton Board. The foreign buyer is usually required to open an irrevocable credit in American dollars at some bank. These factors together with, (1) the high cost of raw cotton delivered in Spain, (2) shortage of available supplies, (3) high exchange value of the peseta, and (4) high cost of factory operations are largely responsible for the greatly reduced volume of export textile trade.

The general outlook for the Spanish cotton industry is uncertain and not encouraging. Manufacturers are handicapped by a shortage of imported dyestuffs and other secondary raw materials as well as supplies of raw cotton and are unable to import new machinery and replacement parts. Many factories were badly damaged during the month of October by floods along the rivers in Catalonia where a large proportion of the industry is located. It is estimated that about one-fourth of all Spanish spindles were affected, and possibly 5 percent completely ruined. In addition, the only important textile machinery factory in Spain was practically destroyed.

COTTON STATISTICS . . .

COTTON: Spot prices per pound of representative raw cotton at Liverpool,
December 20, 1940, with comparisons

Description	1940							
	November				December			
	8	15	22	29	8	13	20	
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
<u>American</u> -								
Middling	13.80	13.53	14.05	14.10	14.32	14.04	14.14	
Low Middling	13.13	12.53	13.05	13.10	13.32	13.11	13.22	
<u>Egyptian</u> (Fully Good Fair) -								
Giza 7	22.19	21.06	21.20	20.83	20.85	20.78	20.91	
Uppers	21.08	19.86	19.96	19.45	19.52	19.44	19.49	
<u>Brazilian</u> (Fair) -								
North	13.11	13.10	13.62	a/	a/	a/	a/	
Sao Paulo	13.62	13.60	14.12	14.10	14.32	14.20	14.31	
<u>Indian</u> -								
Broach (Fully Good) -	10.93	10.85	11.35	11.49	11.67	11.59	11.67	
Central Provinces (Superfine) - ..	11.59	11.50	11.92	11.99	12.18	12.09	12.18	
Oomra No. 1 (Fine) -	10.63	10.55	10.97	11.04	11.22	11.14	11.22	
Sind (Fine) -	11.52	11.44	-	-	-	-	-	
<u>Peruvian</u> (Good) - Tanguis	16.65	16.64	-	-	-	-	-	

Compiled from the Weekly Circular of the Liverpool Cotton Association, Ltd.
and the New York Cotton Exchange Daily Report. Quotations converted from
sterling at official rate. a/ Not quoted.

UNITED STATES: Exports of cotton to principal foreign markets, annual
1938-39 and 1939-40, and August 1 to December 19, 1939 and 1940 a/
(Running bales)

Country to which exported	Year ended July 31		Aug. 1 to Dec. 19	
	1938-39	1939-40	1939	1940
	1,000 bales	1,000 bales	1,000 bales	1,000 bales
United Kingdom	478	2,019	939	295
Continental Europe	1,792	2,478	1,246	144
Total Europe	2,270	4,497	2,185	439
Japan	905	960	388	42
Other countries	393	990	412	104
Total	3,568	6,447	2,985	585
Linters	215	0	127	22
Total, excluding linters..	3,353	6,447	2,858	563

Compiled from Weekly Stock and Movement Report, New York Cotton Exchange.
a/ Includes linters.

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T O B A C C O

TURKEY TOBACCO CROP LARGER . . .

Later and more detailed estimates for the 1940 production of tobacco in Turkey indicate a crop of about 135.5 million pounds, or an increase of nearly 12 percent compared with that of last year, according to information available in the Office of Foreign Agricultural Relations.

TURKEY: Estimated production of tobacco,
by districts, 1940 a/

District	Production	District	Production
	: <u>1,000 pounds</u> :		: <u>1,000 pounds</u> :
Izmir	77,161	Trabzon	7,716
Samsun	17,637	Marmara	7,716
Bursa	11,023	Thrace	5,512
Tashova	8,818	Total	135,583

Compiled from trade sources.

a/ See also Foreign Crops and Markets, November 3, 1940.

The Turkish tobacco market was very late in opening this year. The American and other foreign companies who usually purchase on the Turkish market, continued their investigations in the tobacco-marketing areas through the first 2 weeks of November without settling on their buying policies. The situation of the American companies is rendered particularly difficult by the fact that considerable stocks from their last year's purchases still remain in Turkey; and the transportation problem has remained uncertain. The British purchasing policy is also uncertain. Negotiations in Ankara between Turkish and British authorities have continued for some time without reaching any satisfactory conclusion.

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GIBRALTAR TOBACCO FACTORIES
LOW ON LEAF SUPPLIES . . .

Although no official statistics are available as to the tobacco imports of Gibraltar, it is estimated by trade sources that under normal conditions about one-third of a million pounds of leaf tobacco are imported annually for use in the small tobacco industry of the colony. About 50 percent of the leaf imports are from the Dominican Republic, 20 percent from the United States, and 20 percent from Cuba, according to a report from the American Consulate in Gibraltar.

Local manufacturers report that at present they are unable to satisfy even the diminished local demand for tobacco products, owing to the difficulty in obtaining sufficient supplies of leaf tobacco. One of the four local manufacturers has already exhausted his stock of raw materials and has been obliged to suspend manufacture pending the arrival of supplies. The other manufacturers are still operating but are drawing heavily upon their reserves.

The difficulty in obtaining raw material is caused not only by the war-time restriction on foreign exchange, but also by the disruption of transportation facilities. There is no possibility of the colony growing its own leaf supply even if soil and climate were favorable, as it has an area of less than three square miles and no agricultural products are grown.

The output of Gibraltar tobacco factories is confined largely to the production of picadura, a cheap grade of cut tobacco. The manufacturing process is very simple and consists principally in chopping the tobacco leaf into small pieces and packing them into paper parcels for the retail trade. Because of its low price, this tobacco is very popular among the working classes, and the thousands of Spanish laborers employed in Gibraltar, constitute a demand of some importance.

JAVA LEAF MARKETS DISTURBED BY THE WAR . . .

The tobacco export trade of Java and Madura is said to be in a very unsatisfactory state owing to the involvement of the Netherlands in war. Leaf exports during the first half of 1940 amounted to about 34.4 million pounds or only 1 million pounds above the export for one-fourth of the year 1939.

The area planted to tobacco in the Vorstenlanden and in the growing districts of East Java has been reduced by no less than 20 per cent. At the time of the invasion of the Netherlands, two-thirds of the 1939 crop of those districts was in storage in the Netherlands Indies; a small portion had reached London; and the remainder had arrived in Amsterdam.

Several tobacco estates are said to be suffering from a lack of ready money, because of delayed payments for the lots shipped to the Netherlands. In normal years about two-thirds of the tobacco produced in the Vorstenlanden is exported to Europe.

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F R U I T S, V E G E T A B L E S, A N D N U T S

NEW ZEALAND APPLE CROP SMALLER;

PEAR CROP LARGER

Preliminary forecasts for the 1940-41 crops place the estimated production of apples in New Zealand at 2,125,000 bushels and pears at 350,000 bushels, according to information received by the Office of Foreign Agricultural Relations. Weather conditions in all the main fruit-growing regions are reported to have been excellent and no serious disease or insect infestation has been reported. The apple estimate is about 800,000 bushels below that of last season and slightly below the average for the five seasons, 1931-32 to 1935-36, of 2,397,000 bushels. The 1940-41 pear estimate is about 80,000 bushels above that of 1939-40 and 75,000 bushels more than the 5-year average crop.

NEW ZEALAND: Production of apples and pears and number of bearing trees, averages 1921-22 to 1925-26 to 1931-32 to 1935-36, annually 1936-37 to 1940-41

Year	Apples		Pears	
	Production:	Bearing trees	Production:	Bearing trees
	1,000	1,000	1,000	1,000
	<u>bushels</u>	<u>trees</u>	<u>bushels</u>	<u>trees</u>
Average -	:	:	:	:
1921-22 to 1925-26	1,471	1,772	183	146
1926-27 to 1930-31	a/ 2,054	b/ 1,405	a/ 223	b/ 129
1931-32 to 1935-36	a/ 2,397	c/ 1,620	a/ 275	c/ 144
Annual -	:	:	:	:
1936-37	2,902	1,673	251	138
1937-38	3,325	1,366	408	124
1938-39	2,344	1,138	339	111
1939-40	2,930	1,300	267	119
1940-41 d/	2,125	-	350	-

Compiled from official and consular sources.

a/ Partially estimated. b/ 4-year average.

c/ 1 year only. d/ Preliminary.

Exports during the 1940-41 season will depend upon the volume of shipping space made available for apples and pears. Since the outbreak of war, priority in shipping space has been given to shipments of meat, butter, and cheese which the British Government has purchased under war contracts. As a result of this situation, the New Zealand Government has not stated definitely that space will be available for fruit during

the coming season. The Government was faced with the same problem last season but sufficient space was made available to permit exports of 494,000 bushels of apples or about 50 percent of the normal movement.

NEW ZEALAND: Exports of apples and pears,
by principal countries, 1937 to 1940

Fruit and country	1937	1938	1939	1940
	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>
<u>Apples</u>				
United Kingdom	601,765	815,858	516,886	470,181
Canada	59,474	30,134	49,045	15,458
Netherlands	40,094	97,643	31,654	0
Brazil	20,830	64,872	14,164	0
Germany	20,520	55,639	88,155	0
Others	8,900	86,556	91,231	7,884
Total apples	751,583	1,200,702	791,135	493,523
<u>Pears</u>				
United Kingdom	31,650	64,731	53,864	0
Sweden	604	18,892	18,440	0
Germany	506	0	794	0
Others	13	457	5,417	8
Total pears	32,773	84,080	78,515	8

Compiled from official sources. Converted from pounds to bushels as follows: apples 48 pounds, pears 50 pounds to the bushel.

The New Zealand Government has announced its willingness to continue for the current season the scheme which was used in marketing the 1939-40 crop. Under this plan, the Government purchased the entire apple and pear production of marketable grades at an average price of 5 shillings (80.5 United States cents) per bushel. With minor variations, the schedule of prices in force in 1939-40 will be used in the current season. The Internal Marketing Department will be in charge of the program, purchasing the fruit at assembly points and arranging for its distribution internally. The Export Division of this Department will arrange for export shipments, if space is available. Growers have not signified their acceptance of these terms. Regulations prohibiting the importation of apples and pears from all countries have been put into effect.

Despite the fact that apple export shipments were reduced by about 50 percent and pear shipments virtually cut off, a glut of fruit in the domestic market did not develop during the past season. Practically

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all marketable grades of the fruit were disposed of at satisfactory prices. Consequently, marketing prospects for the 1940-41 season are not looked upon as altogether unfavorable. The Internal Marketing Department intends to continue the methods used to dispose of surplus apples and pears during the past season. Briefly, these include:

(a) Extensive advertising to encourage local consumption of apples, with emphasis on the nutritive value of fruit.

(b) Cooperative agreements with retailers to encourage consumers to buy apples by the case or half-case instead of by the pound. Last season, retailers agreed to sell apples at a maximum margin of 1s.3d. (20.3 United States cents) per case over the wholesale price. With the maximum wholesale price set at 4s.3d. (65.8 cents), the maximum retail price was 5s.6d. (88.6 United States cents) per case. This resulted in a marked stimulus to consumer sales last season.

(c) Sales of pears to the pear-canning industry which has greatly expanded in recent years. The 1940 pear surplus was largely disposed of in this channel.

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GERMANY TO PURCHASE HALF SPANISH ORANGE EXPORTS . . .

Germany has entered into an agreement with the Spanish Government to purchase around 7,873,000 boxes of oranges and 1,260,000 boxes of mandarins, according to information received by the Office of Foreign Agricultural Relations. These volume represent about half the 1940-41 Spanish exportable surplus as estimated by the Spanish Government. The British Government is also reported to be negotiating for some of the fruit but no agreement has been reported.

Under the contract with Germany, prices are quoted in Reichsmarks. It is understood that payments for shipments will be credited to an account in Germany, and Spain is to purchase German merchandise against this balance. It is not thought that the goods or materials to be purchased in Germany have been agreed upon yet.

The means of transportation is not indicated in the contract, and difficulties on this point may arise. Spanish railway facilities are considered to be inadequate to move the indicated volume within the specified time limits, and some difficulty may be encountered in moving the fruit across France. Sea shipments, probably via Italy or France, are authorized under the terms of the contract, but recent developments in the Mediterranean may prevent any significant movement by this route.

Because of the disturbed conditions arising out of recent hostilities in Spain, no official export estimates are available later than the 1935 calendar year. Prior to 1935, however, exports were at a high level, and reached a high of nearly 34 million boxes of 70 pounds. Unofficial sources give Spanish exports from 1935-36 to 1939-40 as shown in the table below. From these figures, it is roughly estimated that exports during 1939-40 represented the equivalent of around 5,300,000 boxes of 70 pounds.

SPAIN: Exports of oranges, by principal countries of destination,
1935-36 to 1938-39

Country of destination	1935-36	1936-37	1937-38	1938-39	1939-40
	1,000	1,000	1,000	1,000	1,000
	half-cases	half-cases	half-cases	half-cases	half-cases
United Kingdom ...	3,921	4,339	1,546	1,104	2,129
Netherlands	1,170	796	20	150	372
Belgium	1,200	692	369	89	271
Germany	3,700	-	-	850	0
France	40	1,725	b/ 1,267	c/ 270	d/ 532
Norway	350	333	-	-	154
Sweden	480	299	-	19	68
Others	637	799	41	90	117
Total	11,498	8,983	3,243	2,572	3,643
	1,000	1,000	1,000	1,000	1,000
	boxes	boxes	boxes	boxes	boxes
Estimated equivalent in boxes of 70 pounds	18,068	14,100	5,000	4,000	5,300

Compiled from British Weekly Fruit Intelligence Notes and Trade sources. Excludes oranges produced in Seville, Malaga, and the less important areas of Spain, and, for most of 1938-39 season, exports from Castellon.

a/ This includes American-type boxes. These are being used fairly extensively now, but the half-case is more common. The half-case is roughly 40 pounds heavier than the box. Because of the confusion of the war, the available data for the last few years are unreliable, and it has been impossible to convert all packages to half-cases.

b/ Includes the equivalent of 305,000 half-cases shipped in bulk.

c/ Includes the equivalent of 40,000 half-cases shipped in bulk.

d/ Includes the equivalent of 288,000 half-cases shipped in bulk.

L I V E S T O C K A N D A N I M A L P R O D U C T SAUSTRALIAN 1939-40 OFFICIAL WOOL
PRODUCTION ESTIMATE RELEASED . . .

Wool production in Australia for the 1939-40 season is now officially estimated at 1,109 million pounds, according to the Quarterly Summary of Australian Statistics for June 1940 published by the Commonwealth Bureau of Census and Statistics. This estimate, however, is still subject to revision and compares with 984 million pounds in 1938-39 and an average for the 5 preceding years of 995 million pounds. A reduction of 10 percent is forecast for the 1940-41 season which would result in a production of around 1 billion pounds or a little above the average for the 5 years, 1934-1938. The 1939-40 wool production, although of record proportions, is not quite as large as had been estimated on the basis of appraisements for the period October 1 to June 30, 1939-40 and the movement of wool at selling centers from July 1 to September 30. (See Foreign Crops and Markets, November 18, 1940.)

AUSTRALIA: Number of sheep on hand, number shorn,
average weight of fleece, and wool production,
July-June, 1933-34 to 1940-41

	Number :		Wool production				
	: of sheep:	: Number :	: Average:	:	: Estima-:	:	:
July- June	: on hand :	: shorn :	: weight :	: Shorn :	: ted :	: Estimated	
	: Dec. 31.:	: during :	: of :	: wool :	: Pulled :	: quantity:	: total
	: first :	: season :	: fleece :	: clip :	:	: exported:	: production
	: named yr.:	:	:	:	:	: on skins:	
	: 1,000 :	: 1,000 :	:	: Million:	: Million:	: Million :	: Million
	: head :	: head :	: Pounds	: pounds :	: pounds :	: pounds :	: pounds
1933-34...	109,921	116,395	7.48	870.2	72.0	53.7	995.9
1934-35...	113,048	116,497	7.75	908.1	54.5	52.8	1,015.4
1935-36...	108,876	114,747	7.56	867.3	49.6	54.2	971.1
1936-37...	110,243	112,628	7.64	877.5	50.0	55.3	982.8
1937-38...	113,373	117,223	7.80	914.8	48.2	60.4	1,023.4
1938-39...	111,058	a/	a/	a/	a/	a/	983.6
1939-40...	b/	a/	a/	a/	a/	a/	c/1,109.0
1940-41...	-	-	-	-	-	-	d/1,000.0
	:	:	:	:	:	:	:

Compiled from Production Bulletin Commonwealth Bureau of Statistics and Quarterly Summary of Australian Statistics, June 1940.

a/ Details not available.

b/ The number in all States, except Western Australia, was 106,967,000 in 1939, according to official estimates. These States in 1938 produced 91.73 percent of the total number of sheep in Australia.

c/ Subject to revision. d/ Preliminary estimate based on an estimated decrease of 10 percent compared with 1939-40.

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